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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)

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Performance Measurements and
Reporting Requirements)

) CC Docket No. 98-56

JUN 1 - 1998

for Operations Support Systems,)

) RM-9101

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Interconnection, and Operator)

Services and Directory Assistance)

COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

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EXECUTIVE SUMMARY

The NPRM was issued in response to a petition filed jointly by LCI Telecom and CompTel on May 30, 1997 asking the Commission to establish performance measurements as an integral component in advancing local competition.¹ By issuing the Notice, the Commission has recognized the importance of fulfilling the Telecommunications Act of 1996 ("Act") requirement that new entrants have sufficient access to functions offered by the incumbent local exchange carriers (ILECs) that would provide them with a meaningful opportunity to compete as local service providers. Specifically, the Commission has affirmed the view that new entrants must be assured that they can gain access to and use ILEC operation support system (OSS) functions in a nondiscriminatory and just and reasonable manner.² Moreover, Regional Bell Operating Companies ("RBOCs") have an affirmative obligation of demonstrating nondiscriminatory and reasonable access to interconnection, resale, and unbundled elements, including OSS, prior to gaining section 271 approval and continuously thereafter.³ MCI commends the Commission for initiating a rulemaking proceeding on this important matter because, as the Commission has already recognized in numerous other

¹In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Petition for Expedited Rulemaking, LCI International Telecom. Corp. and Competitive Telecommunications Association (CompTel), May 30, 1997.

²NPRM ¶¶ 7 and 8.

³The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat 56, codified at 47 U.S.C. §§ 151 et. Seq., amended the Communications Act of 1934, section 271. 47 U.S.C. §271.

proceedings,⁴ performance requirements are integrally tied to the new entrants' ability to effectively compete in the local marketplace, especially where customers have developed expectations with regard to telephone service over the years. Degraded, inadequate, or inconsistent service from incumbents will impede a new entrant's ability to satisfy customer expectations and will impede its ability to garner market share from deeply entrenched local monopolists. New entrants are uniquely disadvantaged--they must rely on a single available supplier, who is also their largest competitor--to establish their reputations as reliable and quality providers of local service. As such, MCI firmly believes that comprehensive performance measures, objective performance standards, and effective enforcement mechanisms must be established to monitor performance and discourage ILEC discrimination and inadequate service.⁵

With respect to ILEC reporting, MCI believes it essential that such reporting occur at sufficiently disaggregated levels that enable CLECs to fairly compare the ILECs' retail performance to their wholesale performance. If reporting is not sufficiently disaggregated, the ILECs will be able to manipulate their performance reports by misleadingly grouping together different types of product, orders, or geographic areas. Moreover, reports that assess whether an ILEC has met the nondiscrimination obligation should be filed both with this Commission and the appropriate state

⁴See, e.g., In the Matter of Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp., Transferee, for Consent to Transfer Control of NYNEX Corp. and its Subsidiaries, File No. NSD-L-96-10 (August 14, 1997) ("Merger Order") at ¶ 194.

⁵See NPRM ¶¶ 7 and 8.

commission in order to better ensure effective enforcement. The reports will have minimum utility unless CLECs have access to raw data and have a right to audit ILEC performance data. Access to raw data and a right to audit are essential because of the undisputed incentives of ILECs to generate results that show non-discrimination.

MCI also believes that the Commission should consider the adoption of procedures to consider additional performance measurements as part of its rules or guidelines. Because competition and technology in the local market is evolving, it is important for the Commission to establish a process by which it can consider and adopt changes to the list of suggested measurements in this NPRM, in order to keep pace with new or revised functions ILECs provide to CLECs.

Finally, a statistically valid method to evaluate parity is critical to the overall performance requirement process. Parity cannot be fairly determined without an appropriate statistical methodology. The z-test, which is more appropriately used to address larger sample sizes, is the appropriate test for evaluating parity on a measurement-by measurement basis.

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Reporting Requirements)	RM-9101
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Interconnection, and Operator)	
Services and Directory Assistance)	

COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

MCI Telecommunications Corporation ("MCI"), hereby submits comments in response to the Commission's Notice of Proposed Rulemaking ("NPRM" or "Notice") concerning the above-captioned matter.⁶

I. INTRODUCTION AND SUMMARY

The NPRM was issued in response to a petition filed jointly by LCI Telecom and CompTel on May 30, 1997 asking the Commission to establish performance measurements as an integral component in advancing local competition.⁷ By issuing the Notice, the Commission has

⁶In the Matter of Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, CC Docket No. 98-56, RM-9101, released April 17, 1998 ("NPRM").

⁷In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Petition for Expedited Rulemaking, LCI

recognized the importance of fulfilling the Telecommunications Act of 1996 ("Act") requirement that new entrants have sufficient access to functions offered by the incumbent local exchange carriers (ILECs) that would provide them with a meaningful opportunity to compete as local service providers. Specifically, the Commission has affirmed the view that new entrants must be assured that they can gain access to and use ILEC operation support system (OSS) functions in a nondiscriminatory and just and reasonable manner.⁸ Moreover, Regional Bell Operating Companies ("RBOCs") have an affirmative obligation of demonstrating nondiscriminatory and reasonable access to interconnection, resale, and unbundled elements, including OSS, prior to gaining section 271 approval and continuously thereafter.⁹ MCI commends the Commission for initiating a rulemaking proceeding on this important matter because, as the Commission has already recognized in numerous other proceedings,¹⁰ performance requirements are integrally tied to the new entrants' ability to effectively compete in the local marketplace, especially where customers have developed expectations with regard to telephone service over the years. Degraded, inadequate, or inconsistent service from incumbents will impede a new entrant's

International Telecom. Corp. and Competitive Telecommunications Association (CompTel), May 30, 1997.

⁸NPRM ¶¶ 7 and 8.

⁹The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat 56, codified at 47 U.S.C. §§ 151 et. Seq., amended the Communications Act of 1934, section 271. 47 U.S.C. §271.

¹⁰See, e.g., In the Matter of Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp., Transferee, for Consent to Transfer Control of NYNEX Corp. and its Subsidiaries, File No. NSD-L-96-10 (August 14, 1997) ("Merger Order") at ¶ 194.

ability to satisfy customer expectations and will impede its ability to garner market share from deeply entrenched local monopolists. New entrants are uniquely disadvantaged--they must rely on a single available supplier, who is also their largest competitor--to establish their reputations as reliable and quality providers of local service. As such, MCI firmly believes that comprehensive performance measures, objective performance standards, and effective enforcement mechanisms must be established to monitor performance and discourage ILEC discrimination and inadequate service.¹¹

With respect to ILEC reporting, MCI believes it essential that such reporting occur at sufficiently disaggregated levels that enable CLECs to fairly compare the ILECs' retail performance to their wholesale performance. If reporting is not sufficiently disaggregated, the ILECs will be able to manipulate their performance reports by misleadingly grouping together different types of product, orders, or geographic areas. Moreover, reports that assess whether an ILEC has met the nondiscrimination obligation should be filed both with this Commission and the appropriate state commission in order to better ensure effective enforcement. The reports will have minimum utility unless CLECs have access to raw data and have a right to audit ILEC performance data. Access to raw data and a right to audit are essential because of the undisputed incentives of ILECs to generate results that show non-discrimination.

MCI also believes that the Commission should consider the adoption of procedures to

¹¹See NPRM ¶¶ 7 and 8.

consider additional performance measurements as part of its rules or guidelines. Because competition and technology in the local market is evolving, it is important for the Commission to establish a process by which it can consider and adopt changes to the list of suggested measurements in this NPRM, in order to keep pace with new or revised functions ILECs provide to CLECs.

Finally, a statistically valid method to evaluate parity is critical to the overall performance requirement process. Parity cannot be fairly determined without an appropriate statistical methodology. The z-test, which is more appropriately used to address larger sample sizes, is the appropriate test for evaluating parity on a measurement-by measurement basis.

II. THE COMMISSION SHOULD ESTABLISH RULES FOR PERFORMANCE MEASUREMENTS AND REPORTING RATHER THAN GUIDELINES

The Commission proposes model performance measurements and reporting requirements for certain functions for which new entrants are dependent on ILECs, and proposes that these model requirements be used only as non-binding guidelines. The Commission indicates that by undertaking such an approach, it has established an environment that gives the states the freedom to address the performance measurement issue, while, at the same time giving states much needed federal guidance.¹²

Guidance alone is not sufficient. The Commission appears to wrongly assume that states will adequately address performance requirements, and will do so on a consistent basis. There is

¹²See NPRM ¶ 23.

no reason to suspect that the states will do so, however. Although some states have recognized the critical need to address performance measurements and reporting, a significant number of states do not have the resources (i.e. time or personnel) to address this issue in any comprehensive and thus, effective manner. Moreover, some states have been unable or unwilling to address the issue altogether.¹³

Even in those states that have addressed performance measurements, the results have been inadequate. Some proceedings have only addressed performance measurements, while some have addressed a limited number of measurements and standards. None has adopted a comprehensive set of measurements, much less adequate standards or enforcement mechanisms. Attached to this document is a summary of MCI's experiences with numerous state performance measurements proceedings as well as a highlight of provisions of MCI's interconnection agreements that incorporate certain performance requirements.

Further, even if all the states had acted to establish performance measurements, the absence of uniformity would continue to be a significant problem. Without binding rules, measurements and measurement formulas will vary from state to state and region to region. Consistency in performance measurements would alleviate any minimal burdens placed on the ILECs by giving them the ability to develop, and to provide to CLECs and regulators, uniform

¹³For example, within the region currently served by Southwestern Bell, Texas has been the only state to address performance measurements, and other states have yet to commence any examination. See Attachment B for further discussion.

measurements and reporting within their regions. MCI thus respectfully requests that Commission establish rules for performance measurements and reporting.

III. THE REQUIREMENT FOR PERFORMANCE MEASUREMENTS DOES NOT POSE UNDUE BURDENS ON THE ILECs

The Commission has sought comment on whether the difficulties in obtaining and collecting information for the measurements it proposes outweigh the benefits associated with reporting this information.¹⁴ With respect to each of the measurements proposed by the Commission (and with respect to the additional measurements MCI believes are appropriately added), the answer is an unqualified no. Any minimal burden associated with collecting the information in no way outweighs the tremendous benefits associated with the proposed reporting.

First, the benefits associated with detailed data collection are enormous, because the need for this reporting is acute. As the Commission has repeatedly recognized, incumbent LECs have every incentive to discriminate against their would-be competitors -- virtually every customer that switches to MCI is a customer that the ILEC loses. And the ILECs are certainly aware that any degradation in service that occurs will be perceived by the end-user customer as a failure of his or her new telephone company, not of the incumbent.¹⁵

¹⁴NPRM ¶ 36.

¹⁵For example, if MCI promises a new customer service on June 1, 1998, but is unable to deliver that service because the ILEC fails to provision necessary elements in a timely manner, it is MCI, not the ILEC, whose customer relationships will suffer. And because MCI is the new entrant, trying to win customers, consumer perception that its service is inferior is particularly harmful.

By contrast, any burden associated with such reporting should be minimal. Even assuming that the incumbent LECs do not already produce these specific reports for internal consumption, it cannot be seriously argued that, in the current automated environment, data that has been gathered in one form cannot readily be reported in different formats or along different parameters. There is no question that incumbent LECs already gather performance data, and then report it for purposes as diverse as monitoring their own service quality, internal audits, employee reviews, and ARMIS reporting. For example, Bell Atlantic has offered, in the New York carrier to carrier negotiations¹⁶ and in the commitment letter for the BA/NYNEX merger¹⁷ to At the recent NARUC winter meeting in Washington DC, Professor Andrew Snow noted in a February 28, 1998 presentation that "reliability assessment [is] only as good as the integrity of the reported data." For his dissertation, Professor Snow compared outage data filed between July 1992 and September 1996 under the Commission's network reliability outage reporting requirement for large scale outage. Snow found that "during the study period 29 filed ARMIS outages that were over the 30,000 [lines affected]/30 minute threshold were not reported to the FCC as large scale outages. Industry representatives say that 24 of the 29 were misreported in ARMS and are really under the threshold. This suggests serious data integrity problems in one

¹⁶See Interim Guidelines for Carrier-to-Carrier Performance Standards and Reports, New York Public Service Commission Docket No. 97-C-0139.

¹⁷Letter from Thomas J. Tauke and Edward D. Young, III of Bell Atlantic to Kathleen Levits, Deputy Bureau Chief, Common Carrier Bureau, Federal Communications Commission (July 19, 1997) at 2-4.

or both of these reporting venues.” provide detailed reporting, albeit not as detailed as should be mandated. Thus, there should be a strong presumption that incumbent LECs have the ability to report this data at minimal burden, and the Commission should not accept any claims to the contrary absent firm and compelling evidence.

IV. THE NPRM IDENTIFIES CERTAIN KEY MEASUREMENTS, BUT DOES NOT CAPTURE ALL MEASUREMENTS IN A SUFFICIENTLY DISAGGREGATED MANNER

Throughout its NPRM, the Commission seeks comments on its proposed measurements and levels of disaggregation, in Appendix A of the NPRM. As an overall matter, MCI believes that to the extent the Commission relies on the measurements proposed by LCUG, it has captured the appropriate measurements. For efficiency reasons, we will not reiterate here an analysis of every proposed measurement, but refer to Attachment A.¹⁸ However, MCI highlights those measurements that are either missing or insufficiently disaggregated in the NPRM.

A. There are Some Significant Measures that the Commission has Overlooked

There are certain important measurements that are missing from this Commission’s proposed measurements. Specifically, MCI recommends that the Commission include the

¹⁸Attachment A is a portion of an Exhibit MCI attached to the complaint it filed against Bell Atlantic, alleging that Bell Atlantic had failed to negotiate performance standards in good faith, in violation of the Commission’s Merger Order. See MCI v. Bell Atlantic, File No. E-98-32. As such, internal references in Attachment A are to Bell Atlantic. The rationale, however, are equally applicable to all ILECs.

following missing measurements in its proposal: (i) Percent Order Accuracy;¹⁹ (ii) Percent Orders Held Greater than or Equal to 90 Days; (iii) Percent Orders Held Greater than or Equal to 15 Days;²⁰ (iv) Call Center Abandonment Rate;²¹ (v) Percent Invoice Accuracy; (vi) Percent Usage Accuracy;²² (vii) Network Performance Parity;²³ and (viii) Timeliness of UNE Element

¹⁹Customers expect that their service provider will deliver precisely the service ordered and all the features specified. This fact makes the Percent Order Accuracy measurement a fundamental part of an incumbent's self-reporting program. Any service provider that is unreliable, with respect to fulfilling orders, will not only generate ill-will with customers where errors are made, but will also incur higher cost due to rework and processing of customer complaints. This measurement monitors the accuracy of the provisioning work performed by the ILEC, in response to MCI orders. When the ILEC provides the comparable measure for its own operation then it is possible to know if provisioning work performed for MCI is at least as accurate as that performed by the ILEC for its own retail local service operations.

²⁰These measures are essential to MCI's ability to ensure timely order completion to its customers. Customers expect that work will be completed when promised. Therefore, when delays occur in completing MCI's order, there must be assurances that the average period MCI orders are held, pending delayed completion, is no worse for MCI than for the ILEC.

²¹The responsiveness of ILEC representatives will be a critical piece of MCI's ability to provide quality service to its end users. Mean Time to Answer Calls and Call Abandonment Rate measurements will effectively monitor the responsiveness of ILEC service representatives. When MCI experiences operational problems dealing with ILEC processes or interfaces, prompt support by the ILEC will be required in order to assure that MCI's customers are not adversely impacted. Any delay in responding to MCI center requests for support (e.g., request for a vanity telephone number) will, in turn, adversely impact MCI's retail customer who may be holding on-line with the MCI customer service agent. This measure, when gathered for both MCI and the ILEC, monitors the ILEC's handling of support calls from MCI is at least as responsive as for calls by Bell Atlantic retail customers seeking assistance (e.g., calling the business office of the ILEC or a call to the ILEC to report service repair issues).

²²This measures monitor the accuracy of the billing that is delivered to MCI and ultimately to MCI's customers. Billing for elements from which MCI services are constructed must be validated to ensure that only correct charges are assessed and paid. Furthermore, charges such as "time and material" related charges may be on the invoice and need to be

Performance.²⁴

B. Additional Concerns about the Measurements Proposed by the Commission

MCI would also like to highlight some of the measurements proposed by the Commission that raise specific concerns.

By suggesting that it be measured separately, the Commission properly recognizes the importance of receiving trunk provisioning performance data.²⁵ Performance measurement data related to trunks is critical whether provided as a separate measurement category or as a product/service disaggregation as already recommended by LCUG. MCI has experienced significant delays in ILEC provisioning of service of interconnection trunks. For example, in Boston, Bell Atlantic agreed to provide the capacity to support MCI's launch of its second local switch. Days prior to implementation of the switch, Bell Atlantic unexpectedly announced it was

promptly passed on to customers (by MCI) to avoid dissatisfaction regarding the timeliness of MCI billing and to minimize customer inquiries on late billing.

²³The Network Performance Parity measurement is necessary to monitor the quality of the ILEC's network. The perceived quality of MCI's retail services, particularly when either ILEC services are resold or where UNE combinations are employed, will be heavily influenced by the underlying quality of the ILEC's network performance.

²⁴Timeliness of Element Performance will be measured for each unique UNE (or combination of UNEs) that delivers unique services. The number of times that the functionality executed properly within the established standard time frame will be accumulated and shown in comparison to the number of times that the execution of the functionality was requested or initiated.

²⁵NPRM ¶51.

not ready to support the switch, citing many issues including switch port shortages on various tandems. This forced MCI to delay the provision of service to customers. MCI has also experienced delays in New York with the provisioning of interconnection trunks because of underlying delays with the provisioning of DS3s and associated capacity or equipment shortages. Given that local service cannot be provided without timely provision of interconnection trunks, a separate interconnection trunk measurement should be added to the measurements list.

Further, the Commission seeks comment on the use of Percentage of Troubles in Thirty Days for New Orders as a substitute for LCUG's proposed measurement of Percentage Orders Processed Accurately.²⁶ The Commission's proposed measurement is not appropriate because it assumes that customers will always report trouble with their service. This assumption does not account for customers whose service is not working and who either do not realize it is not operating correctly or who simply fail to report such trouble. Customers who choose not to report trouble may instead simply choose to change providers. If these customers are excluded, as they would be in the Commission's proposed measurement, the collected data will not accurately reflect a potentially significant problem for the CLEC.

The Commission also seeks comment on whether ILECs should report on the average number of times an order must be resubmitted before it is finally accepted as a valid order.²⁷

²⁶NPRM ¶68.

²⁷NPRM ¶76.

This measurement is important, because multiple rejections of an order are often the result of an ILEC's unwillingness to advise the CLEC of every necessary correction for a particular order to be accepted at one time.²⁸ Moreover, a business rule change requirement that is not reported to the CLEC with sufficient notice could also result in inflated and erroneous rejection counts for the CLEC's order. The measurement can be used, therefore, to evaluate ILEC performance and ascertain the root cause of the problems associated with these orders.

The Commission also seeks comment on whether ILECs should measure the provision of 911 and E911 emergency services to competing carriers.²⁹ MCI strongly encourages the Commission to include this particular measurement because of the necessity of reliable and consistent emergency services to sustain the public health, welfare and safety. The Commission should also consider additional measurements not included in its proposal with respect to emergency services. These additional measurements include, but are not limited to: (in) Mean Database Update Interval; (ii) Response Time to Database Queries; (iii) Percent Database Update Accuracy; (iv) Percent MSAG System Availability; and (v) Mean Response To Collocation Request Interval. Given the importance of emergency services, MCI further recommends that the Commission include such additional emergency service measures as they are developed.

²⁸In other words, ILECs have often reported only the first error that they come across in an order, and then refuse to process the order even though they refuse to review the order to determine whether any additional errors exist. They will, in turn, reject that order again when the next error is discovered.

²⁹NPRM ¶ 77.

Additionally, the Commission seeks comment on whether most carriers use the disposition and cause categories proposed by LCUG. NPRM ¶86. The ILECs currently collect this information, which is, essentially, an explanation of why service, repair or maintenance is or is not completed by a technician. We see no reason why this vital information, which could establish an unwillingness by the ILEC to cooperate in maintaining and repairing service, and which is collected by the ILECs, should not now be provided to the CLECs.

The Commission also seeks comment on whether performance measurements should only cover performance through the use of electronic interfaces.³⁰ Reporting should not be limited solely to the performance experienced via electronic interfaces, if those are not offered by an ILEC. For example, if an ILEC offers no electronic interface for complex services, those orders or repair reports must not be excluded from measurement. Additionally, MCI wishes to clarify that performance measurements should cover not just the interfaces, but must also measure all processes or measurement points that it takes to get an order or other transaction complete.

A performance measurement should commence at the point that the ILEC receives a query, service order or maintenance request, regardless of the method of transmission (e.g. fax or electronic interface). If an ILEC favors a manual over an electronic interface, or its internal processes just beyond the initial order entry or trouble entry systems require extensive manual

³⁰NPRM ¶¶ 40-41.

handling, the Commission should make clear that the ILEC has the same requirement of nondiscrimination and should include in its guidelines the need for performance measurements to cover manual interfaces.

Finally, the Commission seeks comment on whether it should require ILECs to provide measurements concerning their provision of collocation facilities to competing carriers³¹. MCI strongly believes, particularly in light of its experience in obtaining collocation for its equipment from ILECs, that such action is warranted. On many occasions problems associated with obtaining collocation approvals from the ILECs have impeded MCI's ability to provide service to requesting customers in a timely fashion.³² Excuses for such delays normally have centered on space constraints, but even then, in many cases, the ILECs fail to make the appropriate showing required by section 251(c)(6) of the Act to prove the validity of their claims.³³ Collocation measurements, such as those proposed by the Commission, will demonstrate just how long MCI and others are required to wait for collocation approvals. It will also demonstrate the treatment

³¹NPRM ¶ 102.

³²For example, on September 24, 1996, MCI initiated a major project in the former NYNEX region which has resulted in a total of 85 collocation application being submitted by January 17, 1997. Despite assurances from Bell Atlantic that collocations part of normal business and should not require special attention the entire project has suffered from delays and foot-dragging. Eighteen of MCI's applications have been rejected due to space issues. For another 18 of the applications, MCI received abnormally high cost estimates to complete the physical collocation. See Letter from Jonathan B. Sallet, MCI, to Reed E. Hundt, FCC, Oct. 22, 1997.

³³47 U.S.C. §251(c)(6).

new entrants are subjected to even once approval is granted. In certain instances, MCI has been told that it would be permitted to enter the collocation facilities to install necessary equipment or construct its cage and has gone to the facility only to discover that the ILEC was not prepared for the installation of its equipment. Moreover, MCI has also experienced delay in simply receiving a response to a collocation requesting, although MCI maintains that it should receive a response to a collocation request within five days of the ILEC's receipt of that request. To that end, MCI believes that measurements in addition to those set forth by the Commission should be required. Those measurements would include, but are not limited to: (i) percent collocation responses received within 5 business days; (ii) percent physical collocation commitments met and (iii) percent virtual collocation commitments met.

C. The Measurements Proposed by the Commission Require Further Disaggregation

The measurements suggested by the Commission are not sufficiently disaggregated and will not provide CLECs the ability to make meaningful determinations about the quality of performance received.

Performance measurements and reports must be disaggregated to account for the geographic differences in ordering activity, customer trouble report rates and maintenance and provisioning intervals. For example, a provisioning interval in a rural area will be different than for an urban area. Similarly, disaggregation should occur on a product by product basis. Intervals for provisioning of trunks will be different than provisioning of local loops. Aggregating products, ordering activities or geographic areas that have very different intervals,

renders the mean results meaningless. If measurements and reporting are too highly aggregated, ILECs will have the ability to mask their failure to provide parity on one product, order activity or geographic area with their ability to provide parity in another. The objective for requiring appropriate disaggregation is to cluster like intervals together so as to make meaningful comparison of ILEC performance. Thus, detailed measurements and reporting are essential. Without sufficient disaggregation, competitive LECs have no ability to guard against potentially devastating discrimination.

The measurements proposed by the Commission are not sufficiently disaggregated along a number of reporting dimensions. There is no geographic disaggregation, no order activity disaggregation, and only limited disaggregation by product. For instance, resold ISDN, Centrex and PBX are aggregated together as "resold specials." These products must be reported separately because they may not have the same provisioning and maintenance intervals. Further, provisioning and maintenance intervals across all products and order activities in rural areas will tend to be significantly longer than those in urban areas, and therefore should be reported separately. Similarly, the Commission's failure to disaggregate different order activities will preclude MCI from determining the level of service received on provisioning requests separately from adds or changes activities that will tend to have a significantly shorter completion interval.

V. ESTABLISHMENT OF OBJECTIVE PERFORMANCE STANDARDS IS ESSENTIAL

Performance standards or benchmarks require a particular level of service to a CLEC, such as installation of service within one business day. Although the Commission has opted not

to provide guidance with respect to performance standards,³⁴ MCI adamantly believes that they are essential to ensure that new entrants are provided consistent and adequate levels of performance. Performance measurements and reporting alone cannot ensure that the ILECs will provide service on reasonable terms and will not ensure new entrants are receiving a meaningful opportunity to compete.

The Commission has also sought comment on the situations in which objective performance benchmarks (standards) should apply³⁵, and on whether the Commission should postpone consideration of performance standards³⁶. As detailed below, MCI believes that objective performance benchmarks must be established for all measurements. At a minimum, however, performance benchmarks must be established for those measurements where a retail analogue is not readily available.

A. The Commission Should Establish Objective Performance Standards

It is critical that the Commission act now to establish objective standards. Without such standards, the ability of potential local competitors such as MCI to efficiently provide local service will be significantly impaired, and meaningful competition will not develop.

Objective performance standards are critical to CLECs such as MCI -- which are

³⁴The terms "benchmarks" and "standards" are used interchangeably in the context of these comments.

³⁵NPRM ¶ 122.

³⁶NPRM ¶ 125.

businesses dependent on a supplier -- here their competitor. Thus, in order to provide service to its own customers, MCI and other CLECs rely on the ILECs to provide them with the elements or the service needed to, in turn, provide service to their own customers. In order to effectively compete for those customers, MCI must be able to advise its customers when it will deliver its service, and on what terms -- when a customer signs up for service, it wants to know when that service will be turned on. Without objective performance standards, MCI has no way to make this critical calculation, because currently MCI has no way of knowing how long it will take the ILEC to provision those elements or services that MCI needs to turn that service on. Indeed, without specific performance standards, MCI cannot enter into business contracts in which it has to make performance commitments. If it has no way of knowing how long it will take for Bell Atlantic to repair an outage, for example, MCI is incapable of making such a commitment to its own customers.

This is not merely a hypothetical concern. Given the inefficient ordering and provisioning processes that Pacific Bell initially employed, coupled with an absence of objective standards, MCI initially had to adopt a policy of telling its customers that it would be two months before it would have a customer's service activated, even though the standard should have been three to five days.

The Commission has repeatedly indicated that the Act is intended to ensure that competitors, who in this exceptional case, are forced to rely on their competitors for services,

have a meaningful opportunity to compete for local customers.³⁷ To that end, MCI believes that it is critical that the Commission establish minimum standards of performance in order to ensure that ILECs provide service to CLECs on reasonable terms and conditions that satisfy the objective of a meaningful opportunity to compete. The need for performance standards, in addition to an ILEC's parity performance requirement, is even more significant when section 271 of the Act is considered. Once a BOC obtains authority to provide in-region long distance service, the incentive to cooperate with competing local carriers greatly diminishes.

The need for Commission action to establish objective standards becomes even more apparent in light of state action, or in many instances, the absence of state action. While some state commissions have commenced examinations of performance measurements, they too have failed to establish performance standards. For example, while the Georgia Staff Recommendation established some important measurements, the proceeding failed to incorporate an examination of performance standards.³⁸ The California Public Utility Commission ("CPUC") is in the midst of a performance measurements proceeding and has recently concluded

³⁷See, e.g., In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, First Report and Order (rel. Aug. 8, 1996) ¶ 315; Application of Ameritech Michigan Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLata Services in Michigan, CC Docket No. 97-137 (rel. Aug. 19, 1997) ¶139.

³⁸On April 17, 1998, the Georgia Staff Recommendation was issued. While the Recommendation does include discussion of performance measurements, it does not include any objective performance standards.